VZCZCXRO3171 PP RUEHDBU RUEHIK RUEHYG DE RUEHBUL #5239 3020322 ZNR UUUUU ZZH P 290322Z OCT 06 FM AMEMBASSY KABUL TO RUEHC/SECSTATE WASHDC PRIORITY 3786 RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY 0194 INFO RHEHAAA/NSC WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RUEKJCS/OSD WASHINGTON DC RUEKJCS/JOINT STAFF WASHINGTON DC RUCPDC/USDOC WASHDC RUCNAFG/AFGHANISTAN COLLECTIVE RUCNIRA/IRAN COLLECTIVE RUEHZG/NATO EU COLLECTIVE RHMFIUU/HQ USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC

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SENSITIVE, SIPDIS

DEPT FOR EB/IDF/OMA DCLUNE AND IDETWILER
DEPT FOR SCA FRONT OFFICE (DAS GASTRIGHT) AND SCA/A
DEPT PASS AID/ANE AND OMB:PCALBOS
TREASURY FOR LMCDONALD, JCIORCIARI, AND ABAUKOL
NSC FOR AHARRIMAN
OSD FOR BRZEZINSKI

E.O. 12958:N/A TAGS: <u>EFIN</u> <u>AF</u> <u>RU</u>

SUBJECT: HIPC DATA REQUEST TO RUSSIA AND OTHER CREDITORS

- (U) This message contains SENSITIVE BUT UNCLASSIFIED information. Please protect accordingly. Not for INTERNET Distribution.
- 11. This is an Action Message. Please refer to Para 6.
- 12. The debt management unit within the Ministry of Finance is currently gathering detailed debt data from all of Afghanistan's bilateral creditors in order to assemble the necessary information to qualify Afghanistan under the Heavily Indebted Poor Country (HIPC) initiative for debt relief. The debt data primarily relates to balances outstanding at December 31, 2004, and March 20, 2006, important HIPC measurement dates, but also includes other data such as amortization schedules. The spreadsheet we are requesting that creditors complete was provided by the IMF. If all the date is received by November 3, it will be examined during the IMF's upcoming mission to Afghanistan beginning on November 11.
- 13. The MOF is receiving most of the information it needs, but there is concern that Russia will not provide its data in time to present a complete package to the IMF Mission. Russia is Afghanistan's single largest creditor at approximately \$11.2 billion in debt in about 77 transactions. Without this data, Afghanistan will not qualify under the HIPC initiative.
- 14. The MOF's approach to the Russians requesting this data has gone through:

Alexey Storchak Deputy Chief of Division Department of International Foreign Relations State Debt and State Financial Assets Ministry of Finance

5.(SBU) Mr. Storchak was the MOF's main Russian contact during the Paris Club meetings completed in July, 2006. Storchak communicated to the MOF by e-mail on October 11, 2006, that he would instruct Vnesheconombank to provide the required information in the form requested (spreadsheet provided to them with the itemized transactions included thereon). The MOF needs the Russian data by November 3 for the IMF to include a HIPC review in

the November 11 mission program.

6.(SBU) ACTION REQUEST: Given concerns about GOA budget sustainability and the importance of a positive HIPC decision to improving the GOA's long-term budget situation, Washington agencies may wish to consider asking Embassy Moscow to approach Russian officials to request expedited delivery of debt data to Afghanistan's Ministry of Finance.

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